



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OCT 23 2003

VIA FAX (918-423-7363) AND FIRST CLASS MAIL

Warren Gotcher, Esquire
Gotcher & Belote
2626 S. 14th Street
McAlester, OK 74501

RE: MURs 4818 and 4933
Francis Stipe

Dear Mr. Gotcher:

On October 9, 2003, the Federal Election Commission found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

2003 OCT 23 12:31

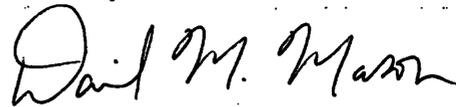
10/23/03

Warren Gotcher, Esquire
MURs 4818 and 4933
Page 2

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Margaret J. Toalson, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



David M. Mason
Commissioner

Enclosures:

Factual and Legal Analysis
Procedures
Conciliation Agreement

2025-10-13 10:13:13

1 **FEDERAL ELECTION COMMISSION**
2 **FACTUAL AND LEGAL ANALYSIS**
3
4

5 **RESPONDENT:**

6 Francis Stipe)
7)

MURs 4818 and 4933

8 **I. GENERATION OF MATTER**

9 This matter was generated based on information ascertained by the Federal Election
10 Commission (the "Commission") in the normal course of carrying out its supervisory
11 responsibilities. *See* 2 U.S.C. § 437g(a)(2).

12 **II. FACTUAL AND LEGAL ANALYSIS**¹

13 **A. Law**

14 The Federal Election Campaign Act of 1971 (the "Act"), as amended, makes it unlawful
15 for any person to make contributions to any candidate and his authorized political committee
16 regarding any election for Federal office, which, in the aggregate, exceeds \$1,000 per election.
17 2 U.S.C. §§ 441a(a)(1)(A); 431(8)(A). Nor can an individual make contributions aggregating
18 more than \$25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). A "contribution" includes any
19 direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services,
20 or anything of value to any candidate or campaign committee, in connection with a Federal
21 election. 2 U.S.C. § 431(8)(A).

22 The Act also prohibits any candidate or political committee or agent thereof from
23 knowingly accepting any contribution or making any expenditure in violation of the provisions of

¹ The activity in this case is governed by the Act and the regulations in effect during the pertinent time period, which precedes amendments to the regulations made by the Bipartisan Campaign Reform Act of 2002 ("BCRA").

1 2 U.S.C. § 441a. 2 U.S.C. § 441a(f). It is also unlawful for any person to make a contribution in
2 the name of another, or for any person to knowingly permit his or her name to be used to make
3 such a contribution. 2 U.S.C. § 441f. Moreover, no person may knowingly help or assist any
4 person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

5 **B. Facts & Analysis**

6 Walter L. Roberts was a candidate for Oklahoma's Third Congressional District for the
7 U.S. House of Representatives in 1998. The primary election for the Democratic nomination to
8 represent Oklahoma's Third Congressional District occurred on August 25, 1998. Roberts also
9 owned an auction company. Walt Roberts for Congress (the "Committee") was the political
10 committee within the meaning of 2 U.S.C. § 431(4) for Roberts' campaign.

11 Gene Stipe was the founder of the Stipe Law Firm where he was a senior partner until
12 2003. Gene Stipe was also an Oklahoma State Senator representing a portion of Southeastern
13 Oklahoma, and a political mentor and friend to Roberts. Gene Stipe was involved in running
14 Roberts' campaign, from making strategic decisions to hiring and firing of staff.

15 Francis Stipe is Gene Stipe's brother.

16 On September 11, 1998, Francis Stipe gave Roberts and the Committee \$50,000.

17 Gene Stipe had asked Francis Stipe to make this contribution and disguise it as a bank loan from
18 McAlester Industrial Credit Corporation ("McAlester Corp."). At the time of the alleged loan,
19 McAlester Corp. was a defunct business, located in McAlester, Oklahoma, that used to provide
20 small loans (\$50 to \$100).

21 On September 11, 1998, the Committee deposited that \$50,000 into its account. Roberts
22 was aware of the scheme and reported this contribution as a candidate loan from McAlester

1 Corp. to the campaign. On that same date, the Committee made \$34,000 in payments to several
2 television stations for media purchases just days prior to the September 15 runoff election.

3 **III. CONCLUSION**

4 Accordingly, there is reason to believe that Francis Stipe knowingly and willfully violated
5 2 U.S.C. §§ 441f and 441a(a)(1)(A).

24-0103-1235